

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6713

BILL NUMBER: SB 471

NOTE PREPARED: Jan 5, 2011

BILL AMENDED:

SUBJECT: Limitation on Adoption of Agency Rules.

FIRST AUTHOR: Sen. Leising

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: X GENERAL
DEDICATED
FEDERAL

IMPACT: State

Summary of Legislation: This bill specifies that an administrative agency may not adopt a rule under IC 4-22-2 that will increase the administrative costs of the state, an instrumentality of the state, or a political subdivision unless the rule is required to comply with a federal law, a federal regulation, a court order, or the terms of a federal grant or loan. It provides for a fiscal analysis of administrative costs by the Office of Management and Budget.

Effective Date: Upon passage.

Explanation of State Expenditures: *Summary* - This bill could decrease administrative costs to the extent that administrative agencies are adopting rules, (subject to the approval of the State Budget Agency), that increase the administrative costs of the state, an instrumentality of the state, or a political subdivision.

Background Information - Executive Order 2-89 and Financial Management Circular (FMC) 2010-4 require state agencies to complete fiscal analyses of proposed rules' impact on state and local government. The Office of Management and Budget (OMB) does not conduct their own fiscal analysis unless an agency's analysis is incomplete. EO 2-89 provides that proposed rules, or amendments or modifications to existing rules, must be approved by the State Budget Agency.

Explanation of State Revenues:

Explanation of Local Expenditures: See *Explanation of State Expenditures*.

Explanation of Local Revenues:

State Agencies Affected:

Local Agencies Affected:

Information Sources: Ann Kaiser, Office of Management and Budget, 317-234-2079.

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